ARIS SUMMARY SHEET

Off Confidential: 89.12.02)istrict Geologist, Smithers SSESSMENT REPORT 18517 MINING DIVISION: Liard PROPERTY: Gab 130 56 00 LOCATION: LAT 56 50 00 LONG UTM 09 6300287 382034 NTS 104B15W Stu 8-9, Mon 1-2, Gab 11-12 CLAIM(S): OPERATOR(S): Cons. Sea Gold Todoruk, S.L.; Ikona, C.K. AUTHOR(S):1989, 214 Pages **REPORT YEAR:** COMMODITIES SEARCHED FOR: Gold, Silver, Copper Mississippian, Sandstone, Conglomerate, Crinoidal limestone **KEYWORDS:** Intrusives, Syenite plug, Diorite stock, Andesite dykes, Faults, Pyrite Arsenopyrite, Galena, Sphalerite, Chalcopyrite, Silver, Gold NORK Drilling, Geochemical, Geological **JONE:** DIAD 856.4 m 7 hole(s);BQ Map(s) - 4; Scale(s) - 1:500GEOL 3000.0 ha Map(s) - 3; Scale(s) - 1:5000, 1:10000109 sample(s) ;ME ROCK 130 sample(s) ;ME SAMP SOIL 358 sample(s) ;ME Map(s) - 2; Scale(s) - 1:2500-RELATED 17131,17533 **REPORTS:** MINFILE: 104B 335,104B 336,104B 337

GEOLOGICAL REPORT on the

GAB 11 & 12, MON 1 & 2, WEI & ZEL, STU 8 & 9 MINERAL CLAIMS

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GEOLOGICAL REPORT

ON THE

GAB 11 & 12, MON 1 & 2, WEI & ZEL, STU 8 & 9 MINERAL CLAIMS

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Located in the Iskut River Area Liard Mining Division NTS 104B/15W

GAB: 56°50' North Latitude, 130°56' West Longitude STU: 56°41' North Latitude, 130°55' West Longitude

- prepared for -

CONSOLIDATED SEA-GOLD CORP.

- prepared by -

S.L. TODORUK, Geologist C.K. IKONA, P.Eng.

February, 1989

GEOLOGICAL REPORT on the

GAB 11 & 12, MON 1 & 2, WEI & ZEL, STU 8 & 9 MINERAL CLAIMS

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1.0 INTRODUCTION

Consolidated Sea-Gold Corp.'s Gab 11 & 12, Mon 1 & 2, Wei and Zel mineral claims (127 units) are situated within the Liard Mining Division of northwestern British Columbia 2 km west of Newmont Lake which is located 17 km north of the Iskut River. Sea-Gold's Stu 8 & 9 claims are located immediately north of the Iskut River and 6 km northeast of the Cominco/Delaware Snip deposit. In the Iskut River area a major gold camp is taking form with Skyline Explorations Ltd. having taken their Stonehouse Gold deposit from an exploration prospect to the production stage in August, 1988. Skyline reports reserves of 686,000 tons grading 0.57 oz/ton. The Cominco/Delaware Snip project joint venture is nearing a production stage with reserves of 2,446,000 tons grading 0.648 oz/ton. Forty kilometres southeast of the Sea-Gold property, Calpine/Consolidated Stikine's Eskay Creek project has committed to an additional 15,000 metre drilling program as they continue to delineate their 21 Zone gold deposit.

Immediately to the east of the Sea-Gold Gab 12 claim, Gulf International Minerals for the past two seasons has been extensively drilling their Northwest Zone which consists of multiple horizons of high-grade gold mineralization hosted within re-crystallized (marblized) crinoidal limestone. Mineralized drill hole intersections on the Gulf property are less than 200 metres from Consolidated Sea-Gold's claim line boundary. It is anticipated that in 1989 Gulf will be further testing the lateral continuity of their zone westward toward the Gab 12 claim line. Sub-cropping mineralized limestone near the claim line strongly suggests the favorable host rock does continue onto Sea-Gold's property.

During the 1988 field season, geological mapping, prospecting and soil sampling were carried out over the claims area and was successful in discovering several exciting mineral occurrences. Follow-up investigation led to a modest drill testing program of two of the above zones. Drill hole CSG 88-1 intersected 2.158 oz/ton gold across 0.6 metres in the Arseno Zone located near the Wei and Gab 12 claim boundary.


Also in this area, along the southern Gab 12 claim, follow-up investigation of 1987 anomalous gold-arsenic sulphide boulders identified a prominent sulphide boulder train extending over an area at least 500 metres in an east-west direction and reaching uphill to snowfield and glacier edges. Many of the assays obtained from the boulders range between 0.100 to 2.978 oz/ton gold. Because of steep topography and the presence of snowfields the source of these boulders is as yet unknown. However, a large coincidental airborne geophysical magnetic-electromagnetic conductor anomaly is located in an area that may explain this mineralization.

The same airborne magnetic survey would also seem to indicate that a possible extension of Pezgold Resource Corp.'s Ken Zone gold-copper bearing magnetite/ garnet/chalcopyrite skarn trends from their Gab 10 claim onto Consolidated Sea-Gold's Mon 1 claim. Because of snowfields, this theory has not yet been confirmed; however, rock outcropping may occur in the area to allow for possible drill testing at depth for the continuation of the zone.

Prospecting and soil sampling were briefly carried out on the Stu 8 & 9 mineral claims in an attempt to locate the source of auriferous quartz vein talus found on the claims in 1987.

This report is intended to summarize information available and work carried out on Consolidated Sea-Gold Corp.'s properties and recommends a follow-up work program for the 1989 season.

2.0 LIST OF CLAIMS

Records of the British Columbia Ministry of Energy, Mines and Petroleum Resources indicate that the following claims (Figures 2 and 3) are owned by I. Hagemoen. Separate documents indicate the claims are under option to Consolidated Sea-Gold Corp.





Claim <u>Name</u>	Record Number	No. of <u>Units</u>	Record Date	Expiry Date
Gab 11	3825	20	December 22, 1986	December 22, 1991
Gab 12	3824	20	December 22, 1986	December 22, 1991
Mon 1	3940	20	March 20, 1987	March 20, 1989
Mon 2	3941	20	March 20, 1987	March 20, 1989
Wei	3942	20	March 20, 1987	March 20, 1991
Zel	3943	20	March 20, 1987	March 20, 1991
Stu 8	3726	1	December 5, 1986	December 5, 1989
Stu 9	3727	6	December 5, 1986	December 5, 1989

3.0 LOCATION, ACCESS AND GEOGRAPHY

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Consolidated Sea-Gold Corp.'s claims are located approximately 100 kilometres northeast of Wrangell, Alaska, and 115 kilometres north of Stewart, British Columbia, on the eastern edge of the Coast Range Mountains (Figure 1). Bob Quinn Lake on the Stewart-Cassiar Highway is situated 45 kilometres to the northeast. Bronson airstrip (servicing Cominco/Delaware's Snip deposit and Skyline Exploration's Stonehouse Gold deposit) is 17 kilometres to the south of the Gab 11 & 12, Mon 1 & 2, Wei and Zel claims and 1 km south of the Stu 8&9 claims. Coordinates of the claims area are 56°50' north latitude and 130°56' west longitude for the Gab claim group and 56°41' North latitude, 131°04' west longitude for the Stu claims. The properties fall within the jurisdiction of the Liard Mining Division.

Access to the property is via helicopter from the Bronson Creek or Forrest Kerr airstrips. Daily scheduled flights to the strips from Smithers, Terrace and Wrangell, Alaska have been available during the field season using a variety of fixed wing aircraft.

The construction of a road 65 kilometres long has been proposed by C.K. Ikona of Pamicon Developments Ltd. on behalf of Skyline Explorations Ltd. The road would be situated along the south side of the Iskut River to connect the

Stewart-Cassiar Highway with the Cominco/Delaware and Skyline gold mines at Bronson Creek. The British Columbia provincial government in February, 1989 announced a \$75,000 private study to be undertaken for this road access route.

Geographically, the claims are generally located between 1,000 and 1,500 metres elevation set in a combination of alpine and snowfield covered terrain. Many creeks of various sizes originate from beneath the snowfields.

4.0 AREA HISTORY

Figure 3 of this report presents a 1:500,000 scale area of northwestern B.C. from Stewart in the south to near Telegraph Creek in the north. This represents some 225 km. Within this area, which has been referred to as the Stikine Arch, mining activity goes back to the turn of the century. Due to the size of the region it historically has been referred to in more specific areas ranging from the Stewart area to Sulphurets, Iskut and Galore Creek. As can be noted in Figure 3, however, all of these individual camps appear to be related to the Stikine Arch as a whole. Recent discoveries appear to be filling in areas between these known mineralized camps. It is probable that the entire area be considered as one large mineralized province with attendant subareas. As Consolidated Sea-Gold's claims are located near the Iskut and Sulphurets-Tom MacKay areas a more detailed history of these areas is presented below.

The first recorded work done in the Iskut Region occurred in 1907 when a prospecting party from Wrangell, Alaska staked nine claims north of Johnny Mountain. Iskut Mining Company subsequently worked crown granted claims along Bronson Creek and on the north slope of Johnny Mountain. Up to 1920, a 9 metre adit revealed a number of veins and stringers hosting galena and gold-silver mineralization.

In 1954, Hudsons Bay Mining & Smelting located the Pick Axe showing and high grade gold-silver-lead-zinc float on the open upper slopes of Johnny Mountain,



PROPERTY OWNER

- Westmin Resources Ltd./Silbak Premier Mines 1.
- Westmin Resources Ltd./Tournigan Mining Explorations Ltd. 2. Boranda (Todd Creek Project)
- 3. Scottie Gold Mine 4.
- 5. Granduc
- Echo Bay Mines/Magna Ventures/Silver Princess Resources (Doc Project) 6.
- Western Canadian Mining (Kerr Project) 1.
- Resources Ltd

AND/OR ELEMENTS

5,900,000 tonnes 0.063 oz/ton Au, 2.3 oz/ton Ag 1,600,000 tonnes 0.110 oz/ton Au, 0.86 oz/ton Ag

10,890,000 tons 1.79% Cu 470,000 tons 0.27 oz/ton Au, 1.31 oz/ton Ag Cu, Au 291,916 tons 0.835 oz/ton Au. 2.44 oz/ton

Newhawk/Lacana/Granduc (Sulphurets Project) 9. Calpine/Consolidated Stikine Silver Ltd. (Eskay Greek Project)
Consolidted Silver Standard Mines Ltd. (E & L Deposit) 12. Inel Resources Ltd. 13. Skyline Explorations Ltd. (Stonehouse Gold Deposit) 14. Kestrel Resources Ltd. 15. Bector Resources Inc. (Golden Spray Vein) 16. Tungco Resources Corp. 17. Winslow 18. Cominco/Delaware Resource Corp. (Snip Deposit) 19. Pezgold Resource Corp. 20. Meridor Resources Ltd. 21. Delaware Resource Corp./American Ore Ltd./Golden Band Magenta Development Corp./Crest Resources Ltd.
Ticker Tape Resources Ltd. (King Vein) 24. Pezgold Resource Corp. 25. Consolidated Sea-Gold Corp. 26. Gulf International Minerals Ltd. (Northwest Zone) 27. Kerr Claims 28. Pezgold Resource Corp. (Cuba Zone) 29. Pezgold Resource Corp. (Ken Zone) 30. Forrest Project 31. Pass Lake Resources Ltd. (Trek Project) 32. Galore Creek 33. Continental Gold Corp. 34. Bellex Resources Ltd./Sarabat Resources Ltd. (Jack Wilson Project) 35. Pass Lake Resources Ltd. (JD Project) 36. Lac Minerals (Hankin Peak Project) 37. Schaft Creek 38. Paydirt

2,000,000 tons 0.462 oz/ton Au, 21.78 oz/ton Ag Au, Cu, Ag 3,200,000 tons 0.80% Mi, 0.60% Cu Au, Ag, Cu, Pb, Zn 1,100,000 tonnes 0.700 oz/ton Au, 1.0 oz/ton Ag, 1% Cu Au, Ag, Cu, Pb, Zn Au, Ag Au, Ag, Cu, Pb, Zn Au, Ag, Cu, Pb, Zn 1,200,000 tons 0.700 oz/ton Au Ag, Au An Au Au, Ag, Cu, Pb Au Au Au Au, Ag, Cu Ag, Cu, Au Ag, Pb, Zn Cu, Au Au. Az. Cu Cu. Au 125,000,000 tonnes 1.06% Cu, 0.397 s/t Au, 7.94 s/t As Au, Ag, Cu Au, Cu Au, Cu An 910,000,000 tonnes 0.301 Cu, 0.0201 No, 0.113 g/t Au, 0.992 g/t Ag 200.000 tons 0.120 oz/ton Au



which today is part of Skyline Explorations Ltd.'s Stonehouse Gold deposit. The claims were worked and subsequently allowed to lapse.

During the 1960s, several major mining companies conducted helicopter borne reconnaissance exploration programs in a search for porphyry-copper-molybdenum deposits. Several claims were staked on Johnny Mountain and on Sulphurets Creek.

Between 1965 and 1971, Silver Standard Mines, and later Sumitomo, worked the E + L prospect on Nickel Mountain at the headwaters of Snippaker Creek. Work included trenching, drilling and 460 metres of underground development work. Reserves include 3.2 million tons of 0.80% nickel and 0.60% copper.

In 1969 Skyline staked the Inel property after discovering massive sulphide float originating from the head of the Bronson Creek glacier.

During 1972, Newmont Mining Corporation of Canada Limited carried out a field program west of Newmont Lake on the Dirk claim group. Skarn-type mineralization was the target of exploration. Work consisted of airborne and ground magnetic surveys, geological mapping and diamond drilling. One and one-half metres grading 0.220 ounces gold per ton and 15.2 metres of 1.5% copper was intersected on the Ken showing.

In 1980 Dupont Canada Explorations Ltd. staked the Warrior claims south of Newmont Lake on the basis of a regional stream sediment survey. In 1983, Skyline Explorations Ltd. and Placer Developments Ltd. optioned the Warrior claims from Dupont. Efforts were directed at sampling and extending several narrow quartz-pyrite-chalcopyrite veins with values ranging from 0.1 to 3.0 oz/ton gold. Geophysics and coincident geochemical values indicated a significant strike length to the mineralized structure. The Warrior claims were allowed to lapse in 1986, at which time, Gulf International Minerals Ltd. acquired the McLymont claims covering much the same area.

Assays of interest from recent Gulf drilling are listed below (Gulf International Minerals Ltd., Annual Report, 1988 and news releases):

Drill	<u>Interval</u>	Length	Copper	<u>Silver</u>	<u> </u>
<u>Hole</u>	(feet)	(feet)	(%)	(oz/ton)	(oz/ton)
87-25	343.0-373.0	30.0	0.23	0.11	0.404
	409.3-412.0	2.7	0.55	0.35	0.250
	470.2-473.8	3.6	0.42	0.19	1,520
87-29	167.0-170.0	3.0	0.001	0.01	0.140
:	205.0-241.5	36.5	0.97	1.16	1.605
88-28	213.9-229.0	15.1	0,41	0.29	0.810
	260.5-276.6	16.1	0.24	0,29	0,645
	300.2-301.5	1.3	0.15	0.17	0.320
	330.1-338.9	8.8	1.99	0.31	0.340
	353.0-363.2	10.2	1.02	0.22	0.288

(average grade = 149.0 feet of 0.207 oz/ton gold)

After restaking the Reg property in 1980, Skyline carried out trenching and drilling for veined high-grade gold and polymetallic massive sulphide mineralization on the Reg and Inel deposits between 1981 and 1985.

In 1986, drilling and 460 metres of underground cross-cutting and drifting on the Stonehouse Gold Zone confirmed the presence of high grade gold mineralization with additional values in silver and copper over mineable widths with good lateral and depth continuity. With production commencing in August, 1988 a total of 196,927 lbs copper, 19,329 oz silver and 9,894 oz gold were produced up to the end of 1988. Remaining reserves reported to date in all categories are 686,000 tons grading 0.57 oz/ton gold.

On the Cominco/Delaware Snip claims immediately north of the Stonehouse Gold deposit, approximately 30,000 metres of diamond drilling has been carried out defining the Twin Zone gold deposit. Twenty-three hundred metres of underground development work has also been completed as the project readies for production. As of January, 1989, reserves on the Twin Zone were reported as:

	<u>Au</u> (oz)	Tons
Total Inferre	ed 0.648	2,446,000

During 1987, Inel Resources Ltd. commenced an underground drifting and diamond drilling program along the main cross-cut intent on intersecting the Discovery Zone. Mineralization is thought to represent broadly zoned fracture networks and sulphide veins along basalt/sandstone contacts. Underground drilling on the centre section of workings has returned in U88-40 a grade of 0.770 oz/ton gold for 13.1 feet (September, 1988). As of November, 1988, 730 metres of underground development has been completed in the area of the Discovery zone.

Western Canadian Mining Corp. in 1987 drilled tested the Khyber Pass massive sulphide showing on their Gossan claims in the Iskut area while in 1988 drilling was carried out on their Kerr project copper-gold porphyry deposit in the Sulphurets camp to the southeast.

Tungco Resources Corporation has drill tested four main gold/copper quartz vein targets; the Bluff, No. 7, Swamp and Gold Bug Zones. The Bluff Zone has been delineated 70 metres along strike and 60 metres downdip with better intersections grading up to 0.243 oz/ton gold across 2.45 metres. The No. 7 Vein returned 1.12 metres of 0.651 oz/ton gold. Drill testing was also carried out near the western edge of the claims on the Boot Zone lead/zinc/ copper/silver/gold prospect.

During 1988 Pezgold Resource Corp./International Prism Exploration drill tested the old Newmont Ken Zone magnetite/chalcopyrite/gold skarn zone north of Gulf International Minerals' Northwest Gold Zone. High grade silver-leadzinc was also found on the eastern side of the property. In late 1988, Calpine Resources Incorporated/Consolidated Stikine Silver announced several exciting drill holes on their Eskay Creek Project at Tom McKay Lake. Drill hole CA88-6 reported values of 0.730 oz/ton gold across 96.5 feet.

South of Calpine's Eskay Creek Project and in the Sulphurets Gold Camp several properties are quickly moving into production phases as listed below:

Project

Mineral Reserves

Newhawk/Granduc/Lacana Mine 2,000,000 of 0.462 oz/ton Au, 21.78 oz/ton Ag

Catear Resources Ltd. Mine 291,916 of 0.835 oz/ton Au, 2.44 oz/ton Ag

Echo Bay Mines/Magna/
Silver Princess Project470,000 of 0.270 oz/ton Au, 1.31 oz/ton Ag

Crest Resources Ltd./Magenta Development Corp. also discovered an exciting gold/silver/copper/lead quartz vein in 1988 on the Rob claims in the Skyline area with values in trenches up to 2.567 oz/ton Au across 9.8 feet including 7.394 oz/ton Au across 3.3 feet.

East of the Crest/Magenta property, an American Ore Ltd./Golden Band Resources/Delaware joint venture has discovered a gold zone near the northwestern corner of the Meridor Resource Corp. Iskut 1 & 2 mineral claims which Meridor has also intersected.

5.0 REGIONAL GEOLOGY

The following regional geological interpretation is taken from B.C. Geological Survey Branch publication, in press, Exploration in British Columbia 1987 by D.V. Lafebure and M.H. Gunning.



A northwest-trending belt of Permian to Lower Jurassic volcanic and sedimentary rocks and their metamorphic equivalents trends northward from Alice Arm to Telegraph Creek and forms part of Stikinia. It is bounded to the west by the Coast Complex and is overlapped to the east by the clastic sediments of the Bowser Basin.

The dominant lithologies in the Bronson Creek area are clastic sediments and volcanics with minor carbonate lenses which are intruded by a diverse suite of intrusive rocks, most commonly granitic and syenitic (Figure 4). The sedimentary rocks are sandstones (typically greywackes), siltstones, shales, argillites, conglomerates and minor limestones. Volcanic rocks vary in composition from mafic to felsic and display a wide variety of igneous, pyroclastic and volcaniclastic textures.

Quaternary and Tertiary volcanics occur at Hoodoo Mountain, along the Iskut River near Forrest Kerr Creek, and in several localities along Snippaker Creek.

Kerr (1948) correlated most of the rocks along Bronson Creek with Triassic volcanics that he had seen farther to the north and northwest. These volcanics consist of intensely folded and sheared tuffs, agglomerates, lavas, rare pillow lavas and bedded sediments. He believed that the volcanics are overlain by Triassic argillites with lenses of limestone. The lower northern and western slopes of Johnny Mountain are underlain by pre-Permian metamorphosed shale, sandstone and limestone.

Exploration geologists have defined stratigraphic columns for specific properties (Birkeland and Gifford, 1972; Sevensma, 1981) and for the area as a whole (Parsons, 1965; Bending, 1983). Bending defined a stratigraphic column with black argillite conformably overlain by banded siltstone which underlies a green volcanic unit composed principally of intermediate to felsic rocks. The green volcanic unit has an irregular upper contact with the "Upper Tuffaceous Sedimentary Unit," a sequence of limestones, tuffaceous sandstones, argillites and siltstones with lenses of conglomerate near the upper contact. At the top

of Bending's sequence is hornblende-biotite andesite tuff and subordinate breccia. Based on descriptions by Kerr (1930, 1948), Bending correlated the basal argillite and siltstone with the upper Paleozoic, the green volcanic unit with the Triassic, and the upper tuffaceous sediments with the lower Jurassic. Fossils collected from 350 metres southwest of Snippaker Peak have been determined as Lower Jurassic, probably Toarcian age, by H.W. Tipper of the Geological Survey of Canada (Graf, 1985).

Grove (1986b) subdivided the sedimentary and volcanic rocks on the top of Mount Johnny into the Unuk River and Betty Creek formations of the Hazelton Group, based on correlations with his work to the east.

6.0 PROPERTY GEOLOGY

The Gab 11 & 12, Mon 1 & 2, Wei and Zel claims are predominently underlain by a thick succession of sedimentary sandstone and conglomerates with an interbedded horizon of crinoidal limestone. These units are believed to be Mississippian in age. Intrusive rocks on the property consist of syenitic feldspar porphyry dykes, andesite dykes, a syenite plug, and a diorite to monzonite stock (Figure 5 and 6).

The conglomerate unit consists of sedimentary and volcanic sub-rounded fragments up to 15 to 30 cm in diameter set in a dark green medium grained matrix. This unit is interbedded with a bedded, dark green to grey colored sandstone with occasionally interbedded light green mudstone. Bedding has various orientations as expected from the structural complexity of the immediate area.

A thick light grey flat-lying crinoidal limestone unit trends from approximately 50 metres east of the northeast corner of the Gab 12 on the Gulf claims northward across the entire length of Jazzman Resource Corp.'s Gab 9 claim block. The unit subcrops at the southern most end of the Northwest Zone on the Gulf property and is not exposed on surface again until near the middle of

the Jazzman property. Based on knowledge from Gulf drilling information, the limestone unit attains a thickness of up to 20 metres. It is within this limestone that Gulf's Northwest Zone is hosted. Replacement style mineralization is located within zones of marblized (skarned) limestone and consists of quartz, calcite, magnetite, pyrite, chalcopyrite and to lesser extent barite, gypsum, sphalerite, galena and specular hematite.

Intrusive rocks on Sea-Gold's claims consist of a syenite stock measuring approximately 700 metres in diameter located in the northeast corner of the Gab 11 claim block. A feldspar porphyry dyke which outcrops in the southeast corner of the Gab 12 claim is probably derived from this stock where it cuts Paleozoic argillites and conglomerates. In this location, the feldspar porphyry contains feldspar phenocrysts up to 1 cm in size. Magnetic andesite (gabbro ?) dyke swarms have been mapped northwest of the syenite stock. Immediately east of this stock a large diorite-quartz monzonite intrusive occurs straddling the Gab 11 & 12 and Gulf claim boundary. Gold bearing quartz stockwork veining has been discovered by Pamicon personnel in this area which assays up to 0.9 oz/ton gold.

7.0 AIRBORNE GEOPHYSICS INTERPRETATION

An airborne geophysical survey was carried out between November, 1987 and June, 1988 on behalf of Pamicon Developments Ltd. in the Iskut River area of northwestern B.C. Magnetic-electromagnetic-VLF surveys were flown over Consolidated Sea-Gold Corp.'s mineral claims (Figures 7 and 8).

A major northeast-southwesterly trending magnetic high occurs just east of the Gab 12 claim block. This same signiture extends for several kilometres along the same trend and is believed to represent the McLymont fault. The fault can be traced dissecting the east central area of the Gab 12 claim block. It is believed that Gulf International Minerals Northwest Zone (which is situated immediately east of the Gab 12) is spatially related to the McLymont fault. A

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small magnetic high signature from the airborne survey located in the northwest corner of Gulf's claims possibly expresses the Northwest Zone.

A large coincidental magnetic-electromagnetic conductor anomaly was also identified near the north central area of the Zel claim block. This anomaly measures approximately 700 metres in diameter and is located on a broad ridge shoulder for the most part covered by a snowfield. Several moderately magnetic andesite (gabbro?) dykes have been mapped in the area but do not fully explain the indicated size of the anomaly. Downslope to the north and northwest of this anomaly a sulphide boulder train has been discovered measuring at least 500 metres in an east-west direction and reaching uphill to the foot of permanent snowfield and glaciers. The majority of the samples collected were anomalous in gold with correlatively anomalous arsenic. A short diamond drill test program was carried out on an auriferous arsenopyrite-pyrite shear zone located just to the west of the sulphide boulder train and to the north of the coincidental airborne magnetic-electromagnetic conductor anomaly. It has not yet been determined if this arsenopyrite shear zone is in any way related to the sulphide boulder train of the large geophysical anomaly.

Two smaller airborne magnetic anomalies occur east of the above zone near the Gab 11 & 12 legal corner post. To date, neither of these areas have been explained.

A large magnetic anomaly trending north-northeast occurs straddling Consolidated Sea-Gold's Mon 1 claim and Pezgold Resource Corp.'s Gab 10 claim. On Pezgold's claim within this magnetic high, Newmont Explorations Ltd. drill tested the Ken Zone magnetite/garnet/chalcopyrite/bornite skarn showing in the 1970s. Pezgold also carried out a drilling program on this zone in 1988 and confirmed the presence of a significantly wide skarn zone producing encouraging gold and copper values. Indications are good that this magnetite skarn zone continues onto Sea-Gold's property. The airborne magnetic survey map suggests the zone may have a strike length of at least 2000 metres.

Reference may be made to R.J. de Carle's REPORT ON A COMBINED HELICOPTER-BORNE MAGNETIC, ELECTROMAGNETIC AND VLF SURVEY, ISKUT RIVER AREA, September 23, 1988.

9.0 MINERALIZATION AND DRILLING

The 1988 exploration field program carried out on Consolidated Sea-Gold Corp.'s property was centered on following up encouraging results obtained from work done in 1987 as well as using information from the 1988 airborne geophysical survey. Geological mapping, prospecting and soil sampling were completed in areas of accessibility. Several areas of interest were defined on the claims.

8 9.1 GOLDEN BOULDER ZONE

Two pyritiferous sulphide boulders sampled in 1987 near the south central Gab 12 claim area assayed 0.688 and 1.858 oz/ton gold. Follow-up investigation in this area in 1988 identified a sulphide boulder train extending some 500 metres in an east-west direction (Figure 5). The boulders can be traced uphill to the edge of an extensive snowfield suggesting the source of these mineralized boulders may originate in that area. As well, the 1988 airborne coincidental identified а magnetic-electromagnetic geophysical survey conductor anomaly in this area which may indicate the source of the mineralization (Figures 7 and 8). Because of snowfield and topographical constraints, this area was not examined in very much detail. Some small islands of outcrop do occur, however, and would be beneficial in the event that a drill testing program is carried out. Assays of significance from sulphide boulders are listed below:

Sample <u>Number</u>	(ppb)	<u>Au</u>) (o/t)	(ppm)	Ag (o/t)	As (ppm)	Pb (ppm)	Zn (ppm)	Notes
21904		2.917	20.7		18,194			ру
21905	720		7.6		3,239		1,464	py (15cm)
21906	600		38,5		14,310	11,362	33,904	py, gal (40cm)
21907		0.067	32.1		8,334	1,187	4,763	py (30cm)
21908		0.020		5.26	2,655	1,207	1,051	РУ
21909			7.4		14,988			ру
21910		0.419	27.1		889			ру
21911		1.243		1.59	33,906			ру
21919	570		26.7		22,458	15,068	35,406	py, gal (1.0m)
21920	770		42.5		1,501			QV, py (1.3m)
21921	320		39.7	-	47,086	12,446	33,614	py, gal (1.5m)
21922	100		43.1		13,307	5,614	16,555	QV, py
21923	16 5		19.7		2,366	20,770	>10%	py, gal, sphl
21924		0.414	12.1	-124 -124	1,499			ру (20cm)
21925		0.082	3.9		2,546			py, gal (20cm)
21926		1.365	22.5		107			py, asp (20cm)
21927	390		2.1		702			py, asp (15cm)
21928	170		2.2		2,168			pyrr (20cm)
21929		1.356	6.1		896			py, asp (40cm)
21930		0.195	6.6		105			ру, сру (30ст)
21949		0.044	8.1		164			py, mal, cpy
21950		2.555	*****	3.23	2,550			ру
22002		2.978	12.7		645			ру, сру
22108	350		10.1		11,063	7,241	12,724	QV, py, gal
22111		1.665	26.3		7,077			py (40cm)

\$ 8.2 ARSENO ZONE

Directly to the northwest of the above mentioned magnetic-electromagnetic conductor, along the Wei and Gab 12 claim line, two closely spaced arsenopyritepyrite shear structures were discovered in 1988 (Figure 5). Float train sulphide boulders are also found scattered around this area possibly indicating a genetic relationship between the auriferous arsenic bearing boulders and shears and the geophysical anomaly.

The shear structures have been followed along strike on surface for 50 metres and down dip for 25 metres. Up dip the shears are spaced approximately 15 metres apart on a cliff face while downdip the spacing increases to about 25 metres. The individual shears vary in width from 15 cm higher up in the section to 1.5 metres lower down. Mineralization consists primarily of strong arsenopyrite and pyrite with moderate amounts of argentiferous galena set in a siliceous gangue. The shears are accessible only in certain areas because of steep cliff faces. Samples with significant assays from the shears are listed below:

Sample <u>Number</u>	Cu (ppm)	As (ppm)	Co (ppm)	Ag (ppm)	<u>Au</u> (oz/ton)
21933	1,775	73,680	2,987	15.5	0.214
21934	1,900	>10 %	8,710	11.6	0.385
21936	37	>10 %	7,402	4.3	0.470
21937	1,230	16,594	391	37.5	0,058
21940	780	1,422	214	22.6	0.118
21941	1,378	1,071	131	45.3	0.318
21942	916	1,829	349	35.9	0,550
21944	2,425	1,560	369	36.8	0.452
21946	603	22,038	2,033	3.1	0.114
21947	2,301	516	55	0.5	0.057

Four diamond drill holes were drilled on the Arseno Zone in September, 1988 to test the strength and continuity of the two mineralized shears sampled on surface (figures 5, 9 and 10). Hole CSG 88-1 successfully intersected the mineralization while CSG 88-2 through 88-4 were either abandoned because of broken ground or from the pinching and swelling of the shears failed to intersect the zone. Significant assays from CSG 88-1 are listed below:

Sample <u>Number</u>	Interval (m)	<u>Width</u> (m)	Ag (ppm)	As (ppm)	<u>Au</u> (oz/ton)
18256	57.5 - 57.8	0.3	2.5	2,577	0.096
18259	72.5 - 73.1	0.6	12.5	4,955	2.158

8.3 RUST SHEAR ZONE

Five hundred metres to the east of the Arseno Zone in the southwest corner of the Gab 12 claim, an iron carbonate shear discovered in 1987 was drill tested with three holes totalling 460 metres (Figures 5, 11 and 13). In 1987, iron carbonate veins with strong pyrite mineralization assayed 0.356 oz/ton Au. The mineralization is also anomalous in arsenic. Although low gold values were obtained from the drilling in this area, strong pyrite fracture filling occurs throughout most of the drill holes here suggesting a possible close proximity to a larger more significant event. This shear being anomalous in gold and arsenic may in some way be related to the auriferous arsenopyrite and pyrite shears zones, boulders and geophysical anomalies found to the southwest.

5 9.4 KEN ZONE EXTENSION

The 1988 airborne geophysical magnetics survey accurately identifies the Ken Zone magnetite/copper/gold skarn found on Pezgold Resource Corp.'s Gab 10 claim. Newmont Explorations Ltd. drilled some short winkie holes into this zone and intersected 17 metres of 1.5% Cu and 1.5 metres of 0.200 oz/ton Au. 1988 surface trenching and drilling confirmed the presence of these values in Pezgold's 1988 field program. The airborne magnetics survey indicates this zone may extend for an additional 1500 to 2000 metres to the south-southwest with approximately one-half of this strike length occurring on Consolidated Sea-Gold's Mon 1 claim (Figure 7). The majority of this area is covered by permanent snowfields although islands of outcrop do exist to allow for drilling set-ups.

8.5 OTHER OCCURRENCES OF INTEREST

Near the north central area of the Gab 11 claim silver/lead/zinc mineralization was discovered in a galena/sphalerite/pyrite/chalcopyrite quartz/calcite/chlorite vein (Figure 5). An assay from this vein is listed below:

Sample	<u>Silver</u>	Lead	<u>Zinc</u>
Number	(oz/ton)	(ppm)	(ppm)
23902	13.45	20,988	87,757

Along Sea-Gold's eastern Gab 11 claim line and Gulf International Minerals' property, quartz veining with moderate pyrite mineralization was discovered. Sample number 23954 assayed 0.913 oz/ton Au and 43.1 ppm Ag. This occurrence was found late in the season and was not followed up. The vein has been hand trenched exposing 0.6 metres in width to date. Several other mineralized quartz veins with varying gold values exist in this area but appear to fall mostly on Gulf's claims.

8 8.6 SOIL GEOCHEMISTRY

Soil sampling was carried out over two grids (Figures 6, 13 and 14) on the Gab 11 and 12 claims. Chained and compassed flagged lines were surveyed on Sea-Gold's claims west of Gulf International Minerals' Northwest Zone in an attempt to identify similar gold-bearing structures. Low gold values were returned which were expected as the favourable limestone unit which hosts Gulf's deposit has possibly been fault downdropped on the Sea-Gold property.

Near the east side of the Gab 11 and 12 claim boundary, a second grid was surveyed in trying to identify gold-bearing mineralization related to an airborne geophysical magnetic anomaly. As yet unexplained anomalous gold values of 165 and 325 ppb Au were found near the north extension of this grid at coordinates 80750/98275+98300.

Also near this eastern side of the claim boundary, soil sampling carried out in the vicinity of an auriferous quartz which assayed 0.913 oz/ton Au (Sample 23954) detected the mineralized vein and possible extensions of it. Soil values of 100, 145, 220 and 240 ppb Au were obtained downslope of the structure (Figure 14).

\$ \$.7 STU 8 & 9 CLAIMS MINERALIZATION

Work on the Stu 8 & 9 mineral claims in 1988 was directed at following up auriferous quartz vein talus discovered in 1987. Brief investigation confirmed the presence of gold mineralization with values in sample 17779 assaying 0.187 oz/ton Au (Figure 15). The source of this material has not yet been located. Several narrow quartz veins were found in an adjacent gulley, however none returned significant assays in gold. One soil contour traverse line was done on the claim group which returned low gold values (Figure 15).

9 10.0 DISCUSSION AND CONCLUSIONS

Consolidated Sea-Gold Corp.'s Gab 11 & 12, Mon 1 & 2, Wei & Zel, and Stu 8 & 9 claims comprise 127 units situated within the Liard Mining Division of northwestern B.C. approximately 17 kilometres north of the Iskut River and the Cominco/Delaware Snip and Skyline Explorations Stonehouse gold deposits. Gulf International Minerals Northwest Zone gold skarn/replacement deposit is located immediately east of the Sea-Gold's property.

Several exciting developments have taken place on Sea-Gold's property during the 1988 field season. An airborne geophysical survey flown during the year has identified a coincidental magnetic-electromagnetic conductor on the

Wei/Zel claim boundary in an area of permanent snowfields. An extensive sulphide float boulder train extending some 500 metres in an east-west direction has been mapped and traced uphill to the south to the edges of these existing snowfields suggesting the source may originate in that area which coincides with the geophysical anomaly. Gold values from the sulphide boulders range up to 2.987 oz/ton Au and are usually associated with elevated arsenic. Silver values are also present. Individual boulders vary in size up to 1.5 metres in diameter.

Two gold-bearing arsenopyrite/pyrite shear zones were discovered in 1988 immediately west of the sulphide boulder train and just to the north-northwest of the airborne geophysical anomaly. Gold values on surface range up to 0.550 oz/ton Au. The zone has been traced on surface for 50 metres and downdip for 25 metres. Near the top of the exposed shears, the zone is 15 to 25 cm wide while downdip 25 metres the width increases to 1.5 metres. Drill hole CSG 88-1 intersected 0.6 metres grading 2.158 oz/ton Au. This zone possibly may be indicating proximity to a larger mineralizing event which may be indicated by the airborne geophysical anomaly and the sulphide boulder float train.

The airborne geophysical survey was also successful in identifying the Ken Zone magnetite/copper/gold skarn located immediately east of the property on Pezgold Resource Corp.'s Gab 10 claim. The survey suggests that this zone strikes north-northwest and continues onto Sea-Gold's Mon 1 claim for at least 1000 metres giving the zone on both properties a total strike length of at least 2000 metres. Newmont Explorations Ltd. in 1972 intersected 17 metres grading 1.5% Cu and 1.5 metres of 0.200 oz/ton Au. Work carried out on Pezgold's Ken Zone in 1988 confirmed the presence of this copper-gold mineralization.

Immediately east of Consolidated Sea-Gold Corp.'s Gab 12 claim, Gulf International Minerals continued diamond drilling on their high-grade gold Northwest Zone skarn/replacement deposit. Less than 200 metres east of Sea-Gold's claim boundary, drill hole 88-28 intersected 149 feet grading 0.207 oz/ton Au. Gulf

is planning continued extensive drilling in this area in 1989 and will be testing the zone's strike length to the north and it's lateral continuity to the west towards the Sea-Gold claim boundary.

10 11.0 RECOMMENDATIONS

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For the 1989 field season, the main emphasis of exploration on the Sea-Gold property should be centred on the Gold Boulder Sulphide Zone. Detailed airborne geophysics should be flown over this area in an attempt to better identify a potential mineralizing source. Prospecting and geological mapping in conjunction with any possible ground geophysics should be carried out over the area. A short diamond drill program may be warranted to test potential targets.

Work should also be carried out following up the extension of the Arseno Zone, Ken Zone extension, continuations of Gulf International Minerals' Northwest Zone and the other various significant mineralized showings discovered in 1988 on Sea-Gold's claims. Continued prospecting on the Stu 8 & 9 claims is warranted trying to locate the auriferous quartz vein talus found on that property.

Respectfully submitted,

Steve Todoruk, Geologist

Charles K. Ikona, P.Eng.

APPENDIX I

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APPENDIX II

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COST STATEMENT

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COST STATEMENT

GAB 11 AND 12, MON 1 AND 2, WEI AND ZEL, STU 8 AND 9 MINERAL CLAIMS LIARD MINING DIVISION JULY 5 TO NOVEMBER 30, 1988

WAGES

.

Senior Geologist - 18 days @ \$350	\$ 6,300.00	
Field Geologist - 52.5 days @ \$250	13,125.00	
Prospectors - 52.5 days @ \$250	13,125.00	
Samplers - 101 days @ \$200	20,200.00	
Geophysical Crew - 7.75 days @ \$300	2 250,00	
Field Support Crew	12,511.11	
		\$ 67,511.11

Project Supervision Costs

EXPENSES

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Man Day Camp Support Costs	35,490.00
Equipment and Supplies	5,387.50
Reproductions - Maps and Photos	1,412.95
Communication and Telephone	1,406.59
Freight	1,082,42
Travel and Accommodation	3,152,99
Assays	11,881.00
Fixed Wing	8,638.46
Helicopter	47,948.15
Survey Equipment	250.00
Geophysical Equipment	2,000.00
Drill Materials and Fuel	8,052.01
Drilling	66,220,00
	\$276,684,22

16,250.68